# GOVERNMENT OF INDIA
# RAILWAYS
# LOK SABHA

UNSTARRED QUESTION NO:2908
ANSWERED ON:21.03.2002
MOU BETWEEN IRCON AND MALAYSIA
SUSHIL KUMAR SAMBHAJIRAO SHINDE

**Will the Minister of RAILWAYS be pleased to state:**

(a) whether the Indian Railway Construction (IRCON) got a contracfor double tracking electrifying the Ipoh-Padang Besar Sectionof the main line Railway in Malaysia;

(b) whether the award of this contract was tied to awarding consultancy for this project at a cost of Rs. 400-450 crore to a Chinese from SSB, amounting to 8 to 9 per cent of the project;

(c) whether this consultancy Chinese firm had no experience in such jobs, and other firms with expertise in the job had offered consultancy at just 4-5 per cent of the cost; and

(d) if so, the reasons for offering the consultancy part of the Project to the SSB?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINIST RAILWAYS ( SHRI O. RAJAGOPAL )

(a): No, Sir. IRCON International Ltd. (IRCON) has not entered into any contract to lay double railway line in Kualalumpur in recent past. IRCON has,however, signed a Memorandum of Understanding (MOU) with Government ofMalaysia in May, 2001, regarding double tracking of railway line between Ipoh-Padang Besar. Formal agreement incorporating various provisions of the contract has not been signed.

(b): No, Sir.

(c)&(d): No, Sir. M/s. SSP has been in the consultancy/design/supervision business and has undertaken large projects in past. The technical capabilities of the firm has been assessed by a Committee of 3 functional directors of IRCON. Negotiations with the firm are underway and the detailed terms and conditions for the contract are yet to be finalised.